



# THE COMMONWEALTH OF MASSACHUSETTS OFFICE OF THE ATTORNEY GENERAL

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April 5, 2005

Mary L. Cottrell, Secretary  
Massachusetts Department of Telecommunications and Energy  
One South Station, 2nd Floor  
Boston, MA 02110

Re: \_\_\_Service Quality, D.T.E. 04-116

Dear Secretary Cottrell:

On December 13, 2004, the Department of Telecommunications and Energy (the "Department") issued an order ("Order") opening an investigation into the quality of service provided by all gas and electric distribution companies ("LDCs") in order to determine whether changes are necessary to improve service quality ("SQ"). The Attorney General submits this letter as his Reply Comments in response to the Initial Comments filed by other stakeholders.<sup>1</sup>

**1. The Department Must Review How Customers Benefit Under Incentive Plans Before Allowing Utilities to Collect Incentives For Service Quality Performance.**

Many utilities support the implementation of a system of incentives as part of modifications to existing Service Quality Standards. *See* Initial Comments of Western Massachusetts Electric Company ("WMECO"), NSTAR, Fitchburg Electric and Gas Company ("FG&E"), Bay State Gas Company, New England Gas Company, and KeySpan Energy. Currently, only Massachusetts Electric Company and Nantucket Electric Company (together, "MECO") are allowed to collect incentives as part of their service quality plan. *See Massachusetts Electric Company*, D.T.E. 01-71B. Before the Department allows other utilities to collect incentives for service quality performance, it must review how customers have benefitted from these incentives. Customers already expect exemplary service under existing

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<sup>1</sup> The Attorney General has reviewed the other parties' Initial Comments and this review has not caused any change in the positions set forth in his Initial Comments. No attempt has been made to respond to all positions taken by the other stakeholders. Silence regarding any specific position raised in the other parties' Initial Comments should not be taken as agreement by the Attorney General.

rates, so no utility should be allowed to collect any incentives where its performance on any particular service quality benchmark is substandard. Rewarding a utility for sufficiently high performance on certain standards that more than offset poor performance on others may result in lower overall service quality performance. Utilities should only qualify to collect incentives if they are not deficient on any of the service quality benchmarks.

**2. Any Change to the Industry-Wide Reliability Standards Must be Combined With Requirements of Continuous Performance Improvement.**

In their Initial Comments, several electric distribution utilities recommend the adoption of industry standard definitions contained in IEEE 1366-2003 (“IEEE”). WMECO Initial Comments, p. 13; MECO Initial Comments, p. 17; and FG&E Initial Comments, p. 15. The Attorney General does not recommend the adoption of the IEEE standards based on the record in this case. *See* AG Initial Comments, p. 5. If the Department does adopt these IEEE definitions, it must ensure that the result is not a lower benchmark for reliability. In order to avoid the possibility of lower benchmarks, the Department could combine the adoption of these IEEE standards with standards that require continuous service quality improvement.

**3. The Department Should Investigate the Safety of the Commonwealth’s Electric Facilities and Adopt Statewide Safety Standards.**

Since the parties filed their Initial Comments, there have been a number of stray voltage and manhole incidents in Massachusetts. Although the Department indicated in a newspaper article that it intends to hire an independent consultant to audit last year’s NSTAR Electric’s voltage report (*The Boston Globe*, March 22, 2005), this alone is insufficient to address the statewide stray voltage and manhole problems. All electric and gas utilities should be taking proactive measures to insure public safety by properly monitoring and maintaining their facilities. Ensuring the safe operation of the Commonwealth’s electric systems is one of the Department’s most important roles and responsibility. G.L. c. 164, § 1E (a); G.L. c. 164, § 76; G.L. c. 159, § 16; *Report of the Department of Telecommunications and Energy Relative to Reducing the Number of Double Utility Poles in the Commonwealth, Pursuant to Chapter 46 of the Acts of 2003*, Section 110, D.T.E. 03-87, p. 9 (2003). The Department should not merely react to incidents, but must implement a system of testing and inspections designed to assist in identifying, preventing, and repairing conditions that may or could present hazards to the public.

In response to a human fatality involving stray voltage, the New York Public Service Commission recently adopted statewide safety standards including (1) annual stray voltage testing of utility electric facilities accessible to the public, using qualified voltage detection devices; (2) inspections of utility electric facilities on a minimum of a five-year cycle; (3) recordkeeping, certification and reporting requirements; and (4) adoption of the National Electric Safety Code as the minimum standard governing utility construction, maintenance, and operations. *Proceeding on the Motion of the Commission to Examine the Safety of Electric Transmission and Distribution Systems*, Case 04-M-0159, Order Instituting Safety Standards, p. 2 (January 5, 2005). Similarly, the Department should conduct a statewide investigation into the

safety of electric transmission and distribution systems and consider adopting statewide safety standards as part of the Service Quality Guidelines in order to avoid potential hazards to public safety.

#### **4. Conclusion**

The Department should enhance the Guidelines as discussed in *Service Quality Regulation of Electric and Gas Utilities in Massachusetts-Assessment and Recommendations For Possible Enhancements* (Attachment 1 of the Attorney General's Initial Comments) in order that the customers receive the service quality to which they are entitled. We need to strive for continuous improvement in utility service quality.

Respectfully submitted,

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By:

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cc: Service List for D.T.E. 99-84